



State of Utah

Department of Natural Resources

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Division of Oil, Gas & Mining

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November 23 2005

CERTIFIED MAIL
7003 2260 0002 0247 9826

Mike Dalley
Staker Parson Companies
151 West Vine Street
Murray, Utah 84107

Subject: Findings of Fact, Conclusions, Order and Finalized Assessment for
MC-05-01-11 (1), M/049/032, Eakins East, Utah County, Utah

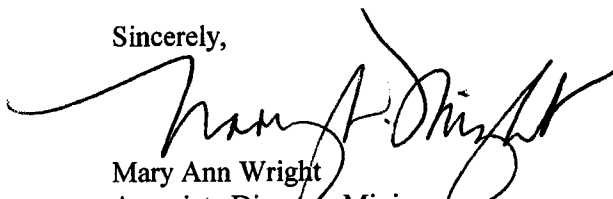
Dear Mr. Dalley:

On October 13, 2005, an Informal Conference was held to review the fact of violation and proposed assessment for state violation MC- 05-01-11 (1), Eakins East. As a result of a review of all pertinent data and facts, including those presented in the Informal Hearing and Assessment Conference, the attached document shall constitute the findings of fact, conclusions, order, and finalized assessment.

Within fifteen (15) days of your receipt of this letter, you or your agent may make a written appeal to the Board of Oil, Gas and Mining. To do so, you must escrow the assessed civil penalties (\$374.00) with the Division within thirty (30) days of receipt of this letter, but in all cases, prior to the Board Hearing. Failure to comply with this requirement will result in a waiver of your right of further recourse.

If no timely appeal is made, the fact of the violation and this assessed civil penalty (\$374.00) stands. Please contact me at 801-538-5306, or Vickie Southwick at 801-538-5304 if you have questions.

Sincerely,



Mary Ann Wright
Associate Director, Mining
Assessment Conference Officer

Enclosures
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BEFORE THE DIVISION OF OIL, GAS AND MINING
MINERALS REGULATORY PROGRAM
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

---ooOoo---

IN THE MATTER OF THE Eakins	:	INFORMAL CONFERENCE
East, Staker Parson Companies, Utah	:	For MC-05-01-11 (1)
COUNTY, UTAH	:	FINDINGS, CONCLUSIONS
	:	AND ORDER
	:	CAUSE NO. M/049/032

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On October 13, 2005, the Division of Oil, Gas and Mining ("Division") held an informal conference concerning the Fact of Violation and the Assessment for Cessation Order, MC-05-01-11 (1) issued to the Eakins East Mine, Utah County, Utah. The following individuals attended: Martin White, Paul Glauser, Randy Anderson, Mike Dalley of Staker Parsons; and Lynn Kunzler, Doug Jensen, and Daron Haddock for the Division (OGM).

Presiding: Mary Ann Wright
Associate Director, Mining
Division of Oil, Gas and Mining

Petitioner: Staker Parson Companies (SP)
151 West Vine Street
Murray, Utah 84107s

The Findings, Conclusions, and Order in this matter are based on information provided by the Petitioner and the Division in connection with this informal conference, and on information in the files of the Division.

FACTS PRESENTED: Fact of the Violation & Assessment of the Violation

1. Minerals Program Cessation Order (CO) MC-05-01-11 (1) was written for failure to transfer a permit and post a bond for reclamation within a timely manner as directed.
2. By letter dated, September 14, 2005, SP requested an informal conference to discuss the fact of violation and the assessment for Minerals Program Cessation Order (CO) MC-05-

- 01-11 (1). Notice of the informal conference was properly given.
3. Pursuant to Utah Code Ann. Section 40-8- 9 and Utah Administrative Rule R647-6-102, an informal conference in the matter was held on October 13, 2005. At the informal conference, following is information that was presented to the Conference Officer by the petitioner.
 4. Staker Parson Companies representatives stated that they acquired the site at the end of May 2002. SP did not think a permit transfer necessary since the landowner wished to develop the site for housing. Upon acquiring the site, SP kept it working for about 6 weeks. They believe they have been responsible and responsive to OGM by calling and meeting in response to letters from OGM. They stated rock was taken from the site in 2002 and 2003, but not in 2004 or 2005 and that "No expansion of the pit occurred under their ownership." Further, SP planned to begin reclamation of the mine on October 14, 2005, some \$250,000 worth of reclamation on their part.
 5. SP representatives believe SP is an environmentally conscious company, and want to resolve this Cessation Order and protect the environment. SP said this site was somewhat of a mess for them to get into, but that they responded to every letter and every phone call from OGM and met with OGM representatives to go over the issues brought before them. Complications from the landowner's changing plans made it difficult to get to the point of performing reclamation. SP is thus of the opinion that OGM should not have issued the CO.
 6. SP stated that if SP were still mining at the site, the CO would have been warranted, but they are not. SP acknowledged that they did need to transfer the mine permit to SP.
 7. The Division represented that the time frame had been 3.5 years and very little had happened on the site, neither a permit transfer, reclamation, or the posting of a reclamation bond. The Division made regular requests to SP to transfer the site to their ownership and post a bond.
 8. The Conference Officer extended the Conference until end of business on October 27, 2005, for SP to 1) provide permit transfer forms to OGM by October 21; 2) provide a reclamation bond by EOB October 27; and 3) substantially complete reclamation of the site.

AFTER THE HEARING

The Conference Officer was informed that the deadlines under the extended conference were met as described in Item #8, above.

CONCLUSIONS

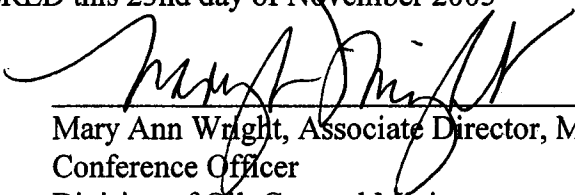
- Some mining took place without a permit transfer or bond posted by SP.
- Complications from the landowner may have precluded reclamation plans, but permit transfer should have occurred much sooner.
- The Fact of the Violation stands.

ORDER

NOW THEREFORE, it is ordered that:

- SP must complete reclamation of the site.
- SP must file an amendment to the plan to change the post mining land use for some or all of the mine site, as needed.
- OGM should terminate the cessation order, effective October 27, 2005.
- OGM should retain the bond posted for revegetation of the mine until time of proper release under the rules and the bond which was posted by the prior operator.
- Facts were presented which were taken into consideration of a re-assessment of this cessation order. This was rapid compliance of a difficult abatement. In the final assessment, "-15" good faith points were awarded. A fine of \$374.00 is assessed and final.

SO DETERMINED AND ORDERED this 23rd day of November 2005



Mary Ann Wright, Associate Director, Mining
Conference Officer
Division of Oil, Gas and Mining
State of Utah

UTAH DIVISION OF OIL, GAS AND MINING
WORKSHEET FOR FINAL ASSESSMENT OF PENALTIES

COMPANY: Staker Parson Companies: M/049/032

VIOLATION: MC-05-01-11 (1), Eakins East

ASSESSMENT CONFERENCE OFFICER: Mary Ann Wright

	Proposed Assessment	Final Assessment
(1) History/Previous Violations	<u>0</u>	<u>0</u>
(2) Seriousness	<u>20</u>	<u>20</u>
(3) Negligence	<u>12</u>	<u>12</u>
(4) Good Faith	<u>32</u>	<u>-15</u>
Total Points	<u>32</u>	<u>17</u>

TOTAL ASSESSED FINE \$ 374.00

NARRATIVE: Conducting mining activities without a permit transfer or bond. Lack of reasonable care was assessed in regard to mining rules. SP did file a permit transfer and bond with rapid compliance, difficult abatement. Reclamation in the amount of \$250,000 was committed to, and has proceeded by SP, on this acquired site. No additional pit expansion occurred under SP, and only a minimal amount of product was extracted by SP from this site. Thus the fact of the violation was upheld with a fine of \$374.00.

(Brief explanation for any changes made in assignment of points and any additional information that was available after the proposed assessment.)